Alberta

News release

Budget 2008
THE RIGHT PLAN FOR
TODAY & TOMORROW

April 22, 2008

2008-11 Capital Plan delivers $22.2 billion for municipalities, housing, hospitals, schools, and roads

2008-11 Capital Plan highlights:

- *Overall, an increase of $3.9 billion; or 21 per cent, from Budget 2007,*
- *$3.3 billion for health facilities and equipment,*
- *$1.7 billion for schools,*
- *$1.5 billion for post-secondary facilities,*
- *$5.2 billion for provincial highways,*
- *$5 billion for municipalities,*
- *$1.1 billion for housing*

Edmonton... The Alberta government will invest approximately $22.2 billion over the next three years to continue its unparalleled support for infrastructure in the province and help address the needs of a growing economy and population.

The 2008-11 Capital Plan, released as part of *Budget 2008*, supports government's priorities and delivers on short-term commitments made in the *20-Year Strategic Capital Plan*, released earlier this year. In this plan the requirement for new infrastructure is complemented by additional resources to maintain existing facilities.

"We're continuing with major investments in infrastructure, including maintenance and renewal, at a crucial time in Alberta's development," said Treasury Board President Lloyd Snelgrove. "By taking care of what we have and building where we need to build, I'm confident the infrastructure backbone we are creating will provide strength to our province well into the future."

The announced $22.2 billion is a 21 per cent increase in capital spending over last year's three-year plan. The first year of the plan will see approximately $8.7 billion committed to supporting infrastructure. Capital Plan spending will average approximately $7.4 billion per year from 2008 to 2011, the Capital Plan, up from an average of about $2.7 billion per year from 2000 to 2007.

To help address the rising cost of providing and maintaining our infrastructure, $803 million has been set aside to deal with cost escalation on approved projects. In addition, the government will continue to consider alternative financing arrangements to help meet the province's capital requirements in circumstances where it will provide greater value than traditional methods.

Health Facilities and Equipment
Improving health care delivery and access to quality services is a fundamental part of the Capital Plan. Three-year capital funding for health authorities totals $3.3 billion, an increase of $294 million over last year. Funding will provide more acute care beds for hospitals and enhance capacity in ambulatory, diagnostic, emergency and surgical care. The plan shows that all major centres and many outlying communities will benefit from increased health care funding, either through the expansion or redevelopment of current health facilities, the construction of new ones, or by upgrading health information systems and vaccine inventories.

Schools
More than $1.6 billion is allocated for schools, an increase of $382 million over last year, recognizing the important role education plays in building a stronger Alberta. The funds will be used to complete 59 new schools or modernization projects over the next three years. This includes the construction of 18 new K-9 schools in high growth areas of Edmonton and Calgary - nine for each city. Support has also been provided for 14 new middle and senior high schools in Calgary, Edmonton, Okotoks, Langdon, Spruce Grove and Sherwood Park.

Over the past year, more than $91 million was added to the budget to address cost escalation on maintenance projects, as well as $190 million to modernize 20 schools and purchase modulars and classroom equipment. In 2008-09, there will be more than 7,000 new spaces created.

Post-Secondary Facilities
There is $1.5 billion for post-secondary facilities over 2008-11, demonstrating the government's commitment to advanced education and building a skilled workforce that can compete in the global economy. This spending will increase access to post-secondary education for all Albertans and will stimulate economic growth through enhanced research and innovation. Upon completion of the projects in the Capital Plan, thousands of new student spaces will be available.

Although there is a decrease in overall funding from 2007-10 levels, due to the winding down of major construction projects, $372 million in new funding was added to address cost increases on the Edmonton Clinic and for infrastructure maintenance projects. A total of $357 million will be spent on capital maintenance and renewal work over the next three years. The plan includes significant investments in post-secondary facilities across the province, including Calgary, Edmonton, Lethbridge and Medicine Hat.

Highways
In recognition of the importance of a safe and efficient provincial highway network to Alberta's economy, the government has increased

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highway project funding by $548 million to $5.2 billion over the next three years. Strategic economic corridors, such as ring road links in Edmonton and Calgary, and twinning and other improvements to Highway 63 to Fort McMurray are priorities and continue to be supported. In addition, expansion and preservation work on other highways that are part of the Northeast Alberta Transportation Corridor and the North-South Trade Corridor is ongoing, and the budget for rehabilitation work on highways throughout the province is almost double compared to last year.

Municipal Infrastructure
The government is committed to providing Alberta's municipalities with long-term sustainable funding for infrastructure, recognizing that many of the province's growth pressures at the municipal level. Municipal infrastructure support has increased by $735 million from last year as a result of the new Municipal Sustainability Initiative. Close to $5 billion will be provided under various grants programs and initiatives for roads, bridges, public transit, water and wastewater facilities, emergency services and infrastructure management systems.

Housing
Providing affordable housing for Albertans is a critical priority for government. Plans are to increase the supply of affordable and barrier-free housing to address demand, transitional housing to help reduce homelessness, and seniors housing to allow more seniors to remain in their homes. The plan includes $1.1 billion to support the goal of developing more than 11,000 affordable housing units over five years, and to enable the construction of 1,650 new, and the renovation of approximately 300, seniors supported living units. This is an increase of $589 million from Budget 2007.

Water and Wastewater Management
Funding to ensure Albertans have access to safe and secure water has remained consistent, with an investment of $721 million towards water infrastructure. This includes support for government's Water for Life strategy through development of regional water and wastewater treatment projects, grants to municipalities under the Alberta Municipal Water/Wastewater Program, irrigation rehabilitation grants to sustain the agriculture industry, and investments in government dams, canals and erosion-control infrastructure.

Community Facilities
The key role community facilities play in maintaining a culturally vibrant province, strengthening communities and promoting tourism is noted in the Capital Plan. A total of $705 million is being allocated to help maintain and enhance facilities such as museums, historic sites, provincial parks, indoor and outdoor recreation centres, and buildings used by non-profit groups and foundations. The total includes $140 million for the final year of the Major Community Facilities program which contributes funding towards the cost of constructing, maintaining, or upgrading community public use facilities. It also includes capital maintenance and renewal work, support for the development of the Capital Region River Valley Park, expansion of the TELUS World of Science in Calgary, a bid to locate the National Portrait Gallery in Alberta, and grant funding for the Community Facility Enhancement Program.

Government Facilities and Other Capital
Overall, the support for government facilities, equipment and other capital totals $1.9 billion. Included are two significant new programs that support clean air and deal with climate change: the Climate Change Emissions Management Fund and the Canada Eco-Trust for Clean Air

and Climate Change. These programs will focus on reducing greenhouse gas emissions in support of government's goal to develop our resources in an environmentally sustainable way. Other notable projects include the construction of the new Edmonton Remand Centre, the replacement of the research greenhouse at the Brooks Crop Diversification Centre South, retrofitting three airtanker aircraft and upgrades to several airtanker bases, and the development of a province-wide police strategic information technology system to improve information sharing between public safety organizations and intelligence analysis.

-30-

Editor's Note: The complete 2008-11 Capital Plan is available with Budget 2008 documents at www.alberta.ca

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